B2B Digital Marketing Analytics & Optimization

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Previously in …
B2B Lead Generation Framework

Develop Content / Lead Magnets

A "**lead magnet**" is a free item or service that is given away for the purpose of gathering contact details.

Types of Lead Magnets
- **Educational lead magnets**
  Teach your visitors something they don't already know
- **Useful lead magnets**
  Provide a tutorial, calculator, or other tool with which they can solve a problem
- **Community-building lead magnets**
  Create a way for your audience to build a community based on the things they have in common, e.g., direct challenges and group forums
- **Entertaining lead magnets**
  Inspire or entertain your audience, e.g., quizzes
- **Bottom of funnel lead magnets**
  "Push" the visitor from lead to customer, e.g., free trial, discount codes, free consultation

What We'll Learn

- By the end of today's session, you should be able to:
    - List several common **digital marketing KPIs**
    - Calculate your **ROI and ROAS**
    - Describe a variety of **attribution models** and best practices
    - Identify areas to improve for **conversion rate optimization** (CRO)

Agenda

- Preparing for Analytics Tracking
- Digital Marketing KPIs, Analytics & ROI
- Attribution Models
- Conversion Rate Optimization
- Action Items & Next Steps
- Additional Links & Resources

Set Your Goals, Objectives, & Targets

What do you want your leads / visitors to **<u>DO</u>**?

- **Primary conversions**
  - Purchase
  - Donate
- **Secondary conversions**
  - Sign up / provide contact information
    - Trial
    - Webinar / Demo
    - Newsletter
    - Downloadable content, e.g., whitepapers, research, etc.
- **Tertiary goal** *(not a conversion!)*
  - Brand awareness and exposure
- **Specific KPIs and Targets**

Which Analytics Are Most Important?

The ones that help you measure, meet, and exceed your goals and objectives!

Which KPIs <u>NOT</u> to Track

- **Vanity metrics**
  - Metrics that don't impact your bottom line
    - Increase revenues
    - Decrease costs
  - Metrics that you can't act on or affect

Common KPIs Tracked

General Marketing

- **Customer Acquisition Cost** (CAC)
  = (All Sales Expenses + All Marketing Expenses) / Number of New Customers

- **Customer Lifetime Value** (LTV or CLTV)
  = Average Revenue per User (ARPU) / Monthly Churn Rate

- **LTV to CAC Ratio (Return on CAC)**
  = LTV / CAC
  Note: SaaS companies aim to have a LTV to CAC ratio that is higher than three (3), meaning that the value of a customer is at least three times that of the cost to acquire them.

Channel	LTV	CAC
Paid LinkedIn	$1,267	$491
Paid Facebook	$831	$534
Paid Google	$1,154	$397
Retargeting	$886	$240

Common KPIs Tracked

Other ROI Calculations

- **Return on Ad Spend (ROAS)**
  = Revenue Generated by Ad / Cost of Ad

- **Return on Investment (ROI)**
  = Total Revenues - Total Expenses Related to those Revenues (Net Profit) / Total Expenses Related to those Revenues

Example: Your company spends $100 on Facebook ads in a single month which generates $600 in revenue. But, the following costs are also associated with these revenues:

- Cost to create Facebook ad: $25
- Salary and Overhead (pro-rated) for marketing person: $225
- Cost of Goods Sold: $50

- **ROAS** = 600/100 = 6 = **6x**, 6:1, 600%, or $6 for every $1 spent

- **ROI** = 600 – (100 + 25 + 225 + 50)/100 = 2 = **2x**, 2:1, 200%, or $2 for every $1 spent

- The difference between ad-centric ROAS and ROI is that ROI is a macro metric that measures how a specific ad affected the ***organization's*** overall profits, while ROAS is a micro metric that evaluates the effectiveness of the ad itself regardless of the impact it had on your organization's profits.

Common KPIs Tracked

General Marketing

- **Conversion Rate**
  = Visitors / Number of New Customers

- **Revenue per Visitor (RPV)**
  = Revenue in the Period / Visitors in the Period
  = maximum CPC bid for paid advertising

- **Monthly Recurring Revenue (MRR) Churn Rate**
  = Churned (or lost) MRR / Previous Month's MRR

- **Customer Churn Rate**
  = # Customers Lost in the Period / # Customers at Start of Period
  A healthy churn rate is around 5-7% annually (which translates to between 0.45% and 0.55% monthly).

- **Revenue Renewal Rate**
  = (MRR Up for the Renewal at Beginning of Month - MRR Not Renewed at the End of Month)/MRR Up for Renewal at Beginning of Month

Common KPIs Tracked

There are many channel-specific KPIs, but make sure you are tying these to your general marketing KPIs and ultimately your organizational KPIs.

- **Search Engine Optimization**
- **Paid Advertising**
- **Social Media**
- **Email**

NSAMCWADLP – Definition

Never **S**tart **A** **M**arketing **C**ampaign
Without **A** **D**edicated **L**anding **P**age

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5 Elements of Successful Landing Pages

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UTM Campaign Builder

https://ga-dev-tools.appspot.com/campaign-url-builder/

Google Analytics Demo Account

Access the Google Analytics Demo Account. All you need as a Gmail account.

https://analytics.google.com/analytics/web/demoAccount

Google Universal Analytics (UA)

Audience — **Who** came to our" property"?

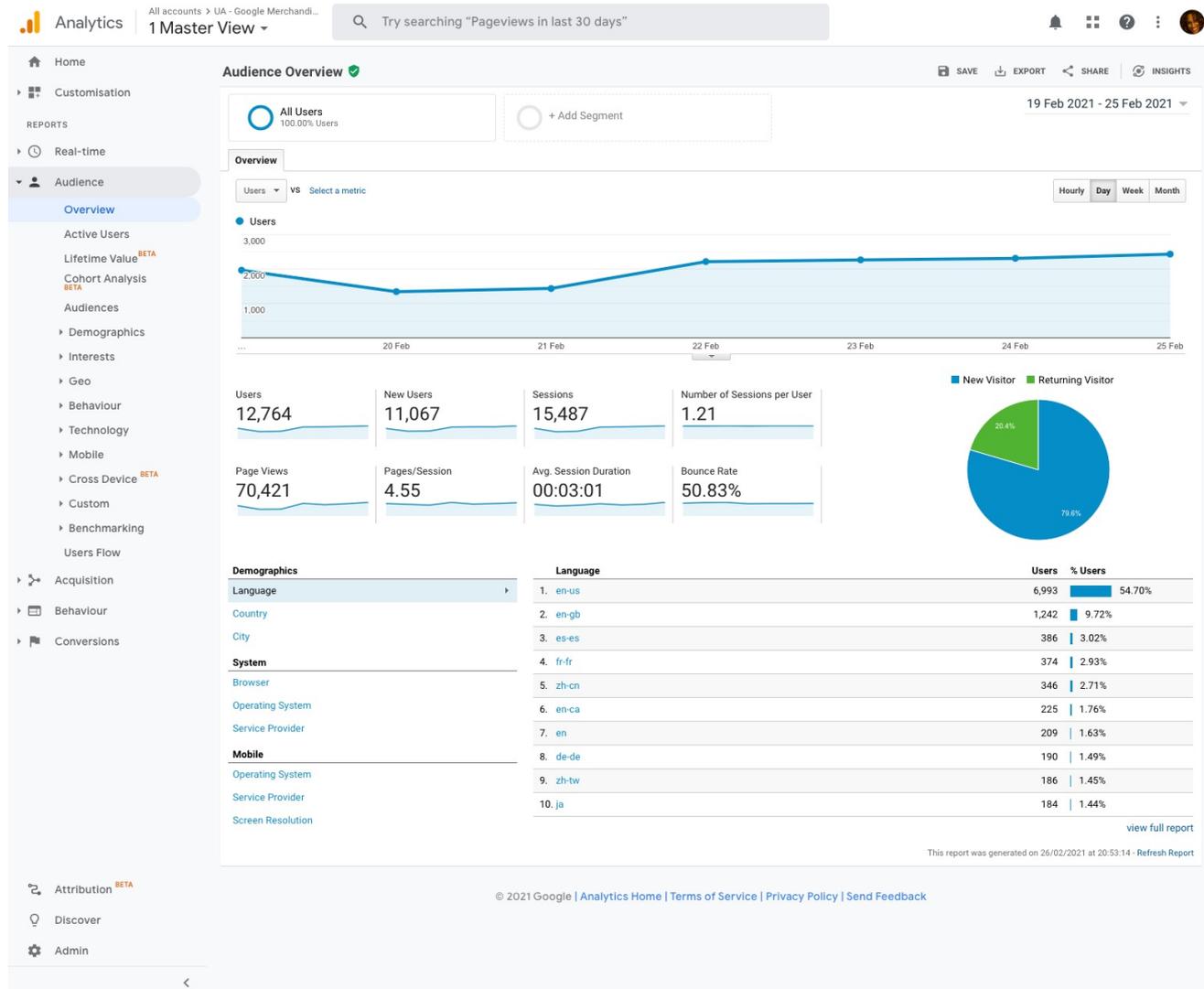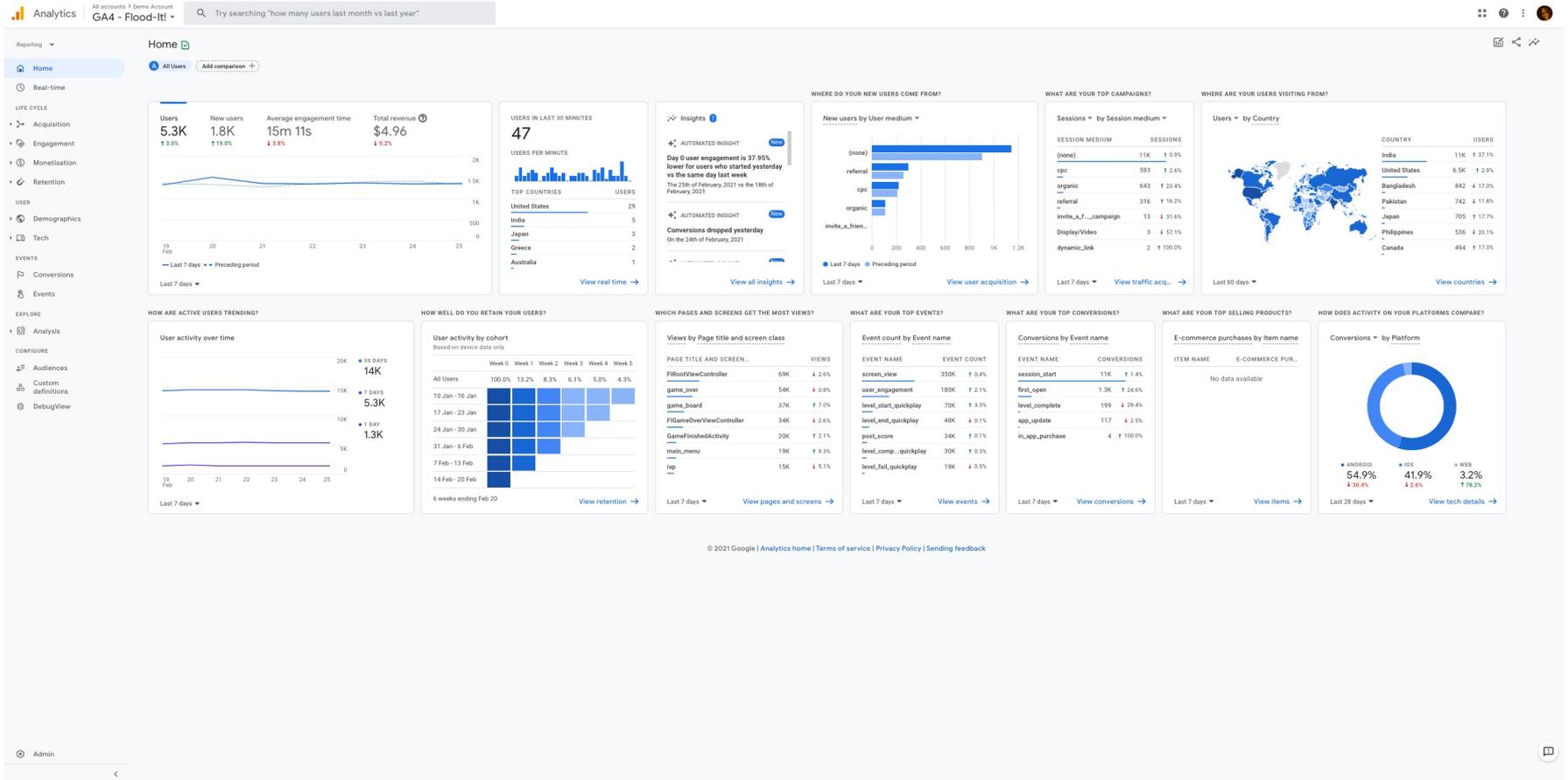**Acquisition** — **How** did they get there?

Behaviour — What did they **do**?

Conversion — Were they "**successful**"?

Google Demo Account – UA

Google Demo Account – G4A Flood-It!

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Attribution

Display ▸ Natural Search ▸ Paid Search ▸ Social ▸ $700

- To **which** channel or activity do we attribute the $700?

- OR, how much of that $700 do we attribute to **each** activity?

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First vs. Last Touch Attribution

*(Please note that in Google Analytics UA, this is referred to as "First vs. Last **Interaction**")*

Even (Linear) Attribution

The Starter / Players / Closer Attribution Model(s)

- Starter (initiating) touch receives a set percent of credit for the conversion.
- Closer (last) touch receives a set percentage of credit for the conversion
- Player touches each receive an equal share of the remaining credit for the conversion.

Display	Natural Search	Paid Search	Social ▶ $700
"Starter"	"Players"	50%	"Closer" 50%

...and, or...

| "Starter" 20% | "Players" | 40% | "Closer" 40% |

...and similar constructs...

- **Time Decay attribution** gives the lowest percent of credit to the first touch, with increasing values as you move towards the last touch.

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Attribution

- There is **not** one way to attribute credit for a conversion.
- What's critical is to be consistent and **use the same model for all conversions within your customer journey**.

Conversions >> Multichannel Funnels >> Model Comparison Tool

4 Main Elements in Conversion Rate Optimization (CRO)

a) Ads are targeted to an audience

b) A certain % of the people who see the ad, click the ad (CTR)

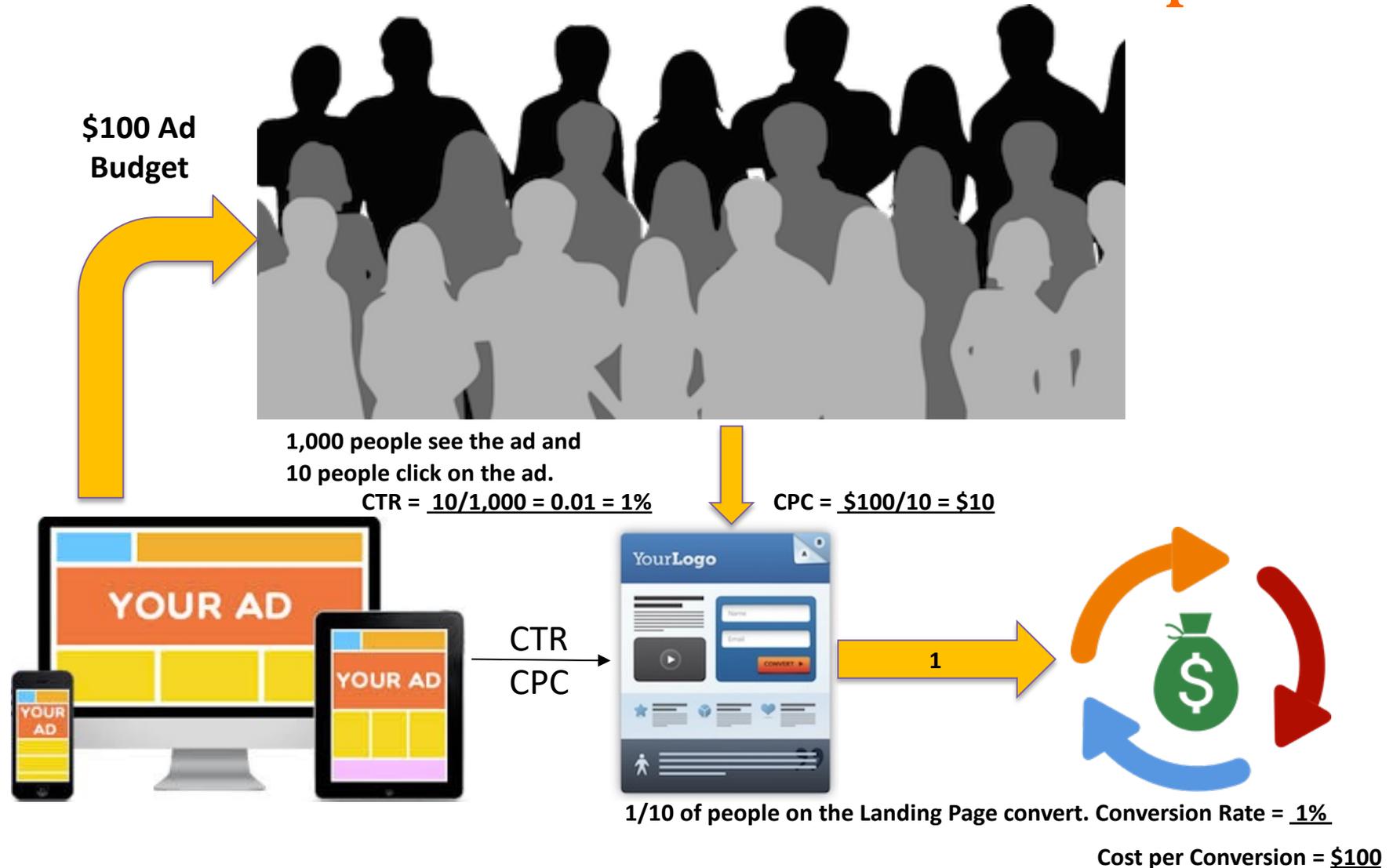Which based on the budget, creates an average cost per click (CPC)
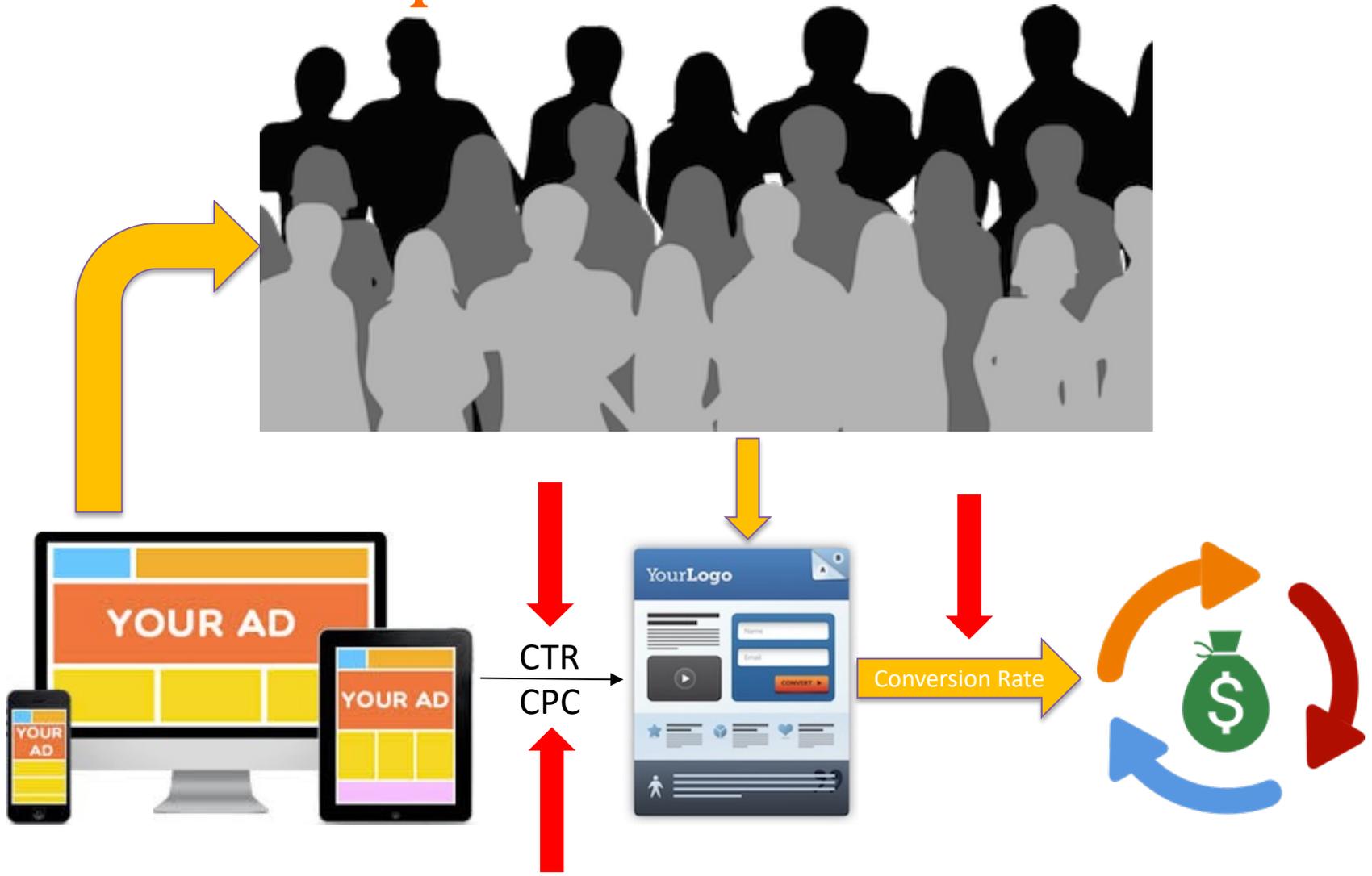
YOUR AD

YOUR AD

YOUR AD

CTR
CPC

YourLogo

c) Once on the page, a certain % of people *convert* (Conversion Rate)

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4 Main Elements in CRO – Example

$100 Ad Budget

1,000 people see the ad and 10 people click on the ad.

CTR = 10/1,000 = 0.01 = 1%

CPC = $100/10 = $10

CTR
CPC

1

1/10 of people on the Landing Page convert. Conversion Rate = 1%

Cost per Conversion = $100

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How to Improve CTR / CPC

More targeted audience

CTR
CPC

More targeted / creative ads
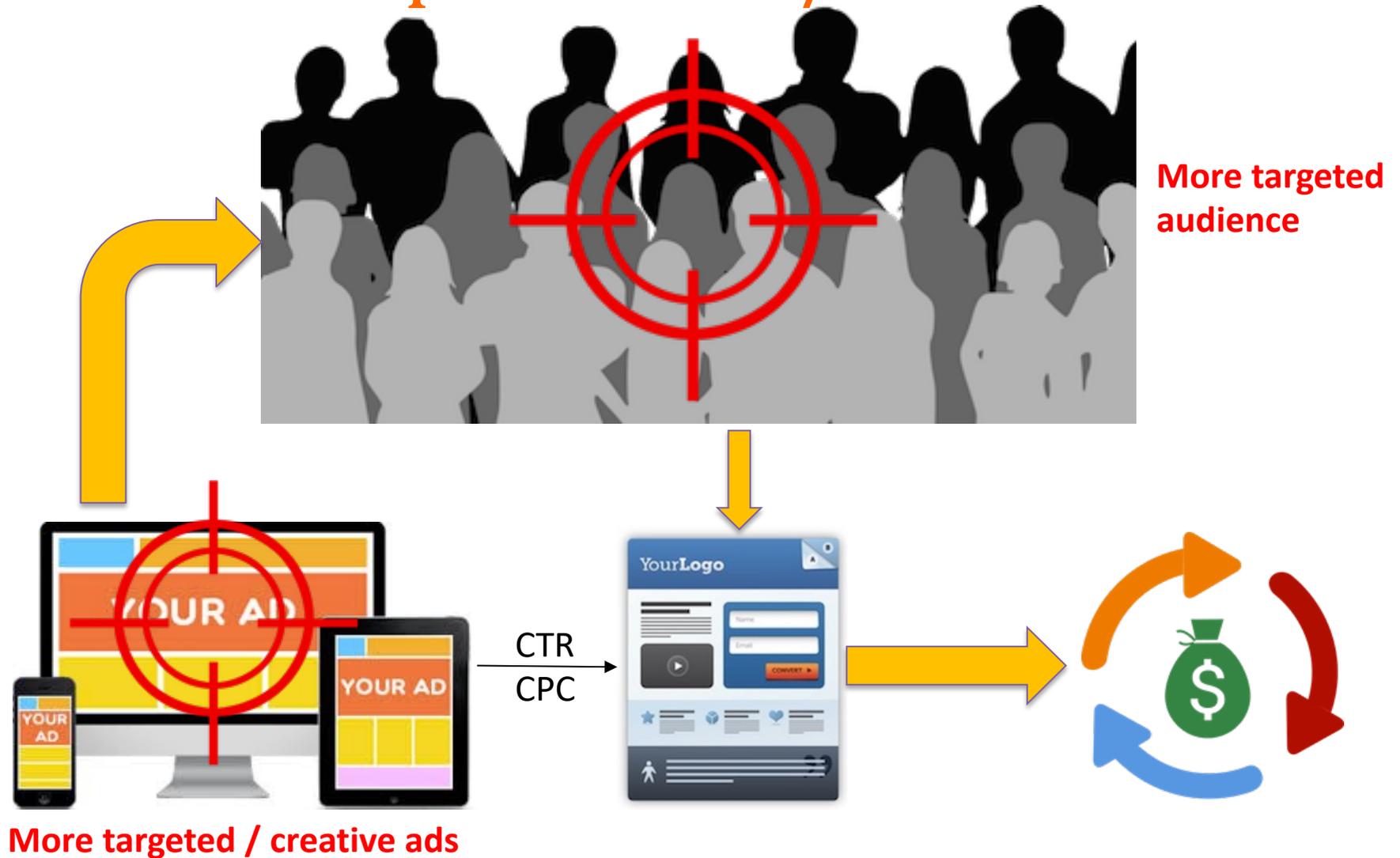
How to Improve Conversion Rate

More targeted audience

CTR
CPC
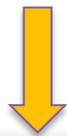
Conversion Rate

Better message matching between the ad & landing page

Better Landing Page Design

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How A/B Testing Works

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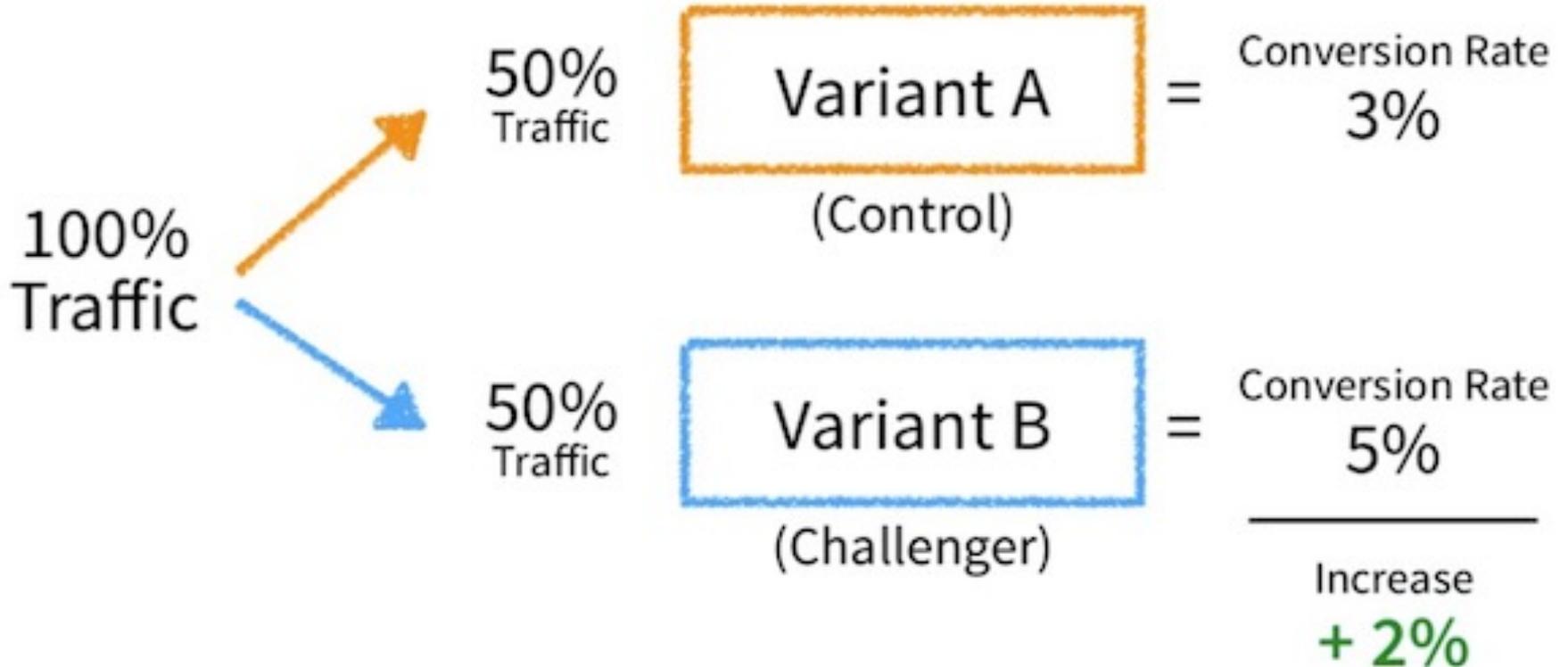
How A/B Testing Works

The Math of CRO

		Conversion Rate	Conversions	($100/conv.)
Variant A (Control)	=	3% →	100 →	$10,000
Variant B (Challenger)	=	5% →	167 →	$16,700

+ 2% Increase
+ 67% Lift

+ $6,700

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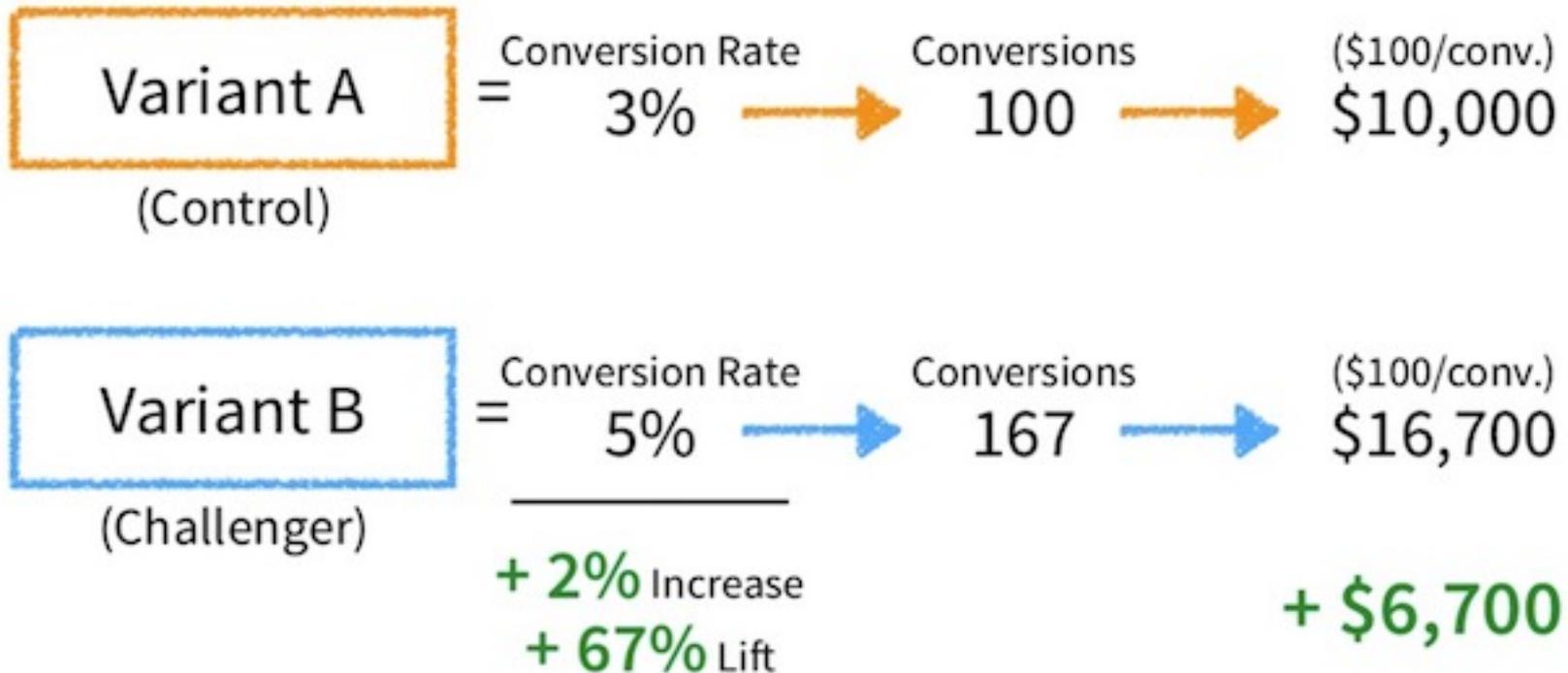
Action Items & Next Steps

- Set your conversion goals, objectives, KPIs, and targets

- Optimize your landing pages *(from Workshop #3!)*

- Setup custom campaign URLs so that you can track the results in your analytics program

- Decide on your attribution model and keep it consistent

- Document your conversion funnel and identify key areas to optimize and improve your results / outcomes

- Conduct A/B tests, and test, test, test!

- Review the analytics & CRO articles, videos, as well as Google Analytics courses on the **Additional Resources** slide for more details

Additional Resources

- Digital Marketing KPIs and Metrics (+ Template)

- 25 Advertising Metrics

- Marketing Math

- Digital Marketing Math

- UTM Tracking: What Are UTM Codes and How Do I Use Them?

- 25 Key Differences: Google Analytics 4 vs Universal Analytics

- Google Analytics 4 vs Universal Analytics: 12 Fundamental questions answered

- Bizible's Marketing Attribution 101 eBook

- Attribution Models for Marketers: The Definitive Guide

- The Beginner's Guide to Conversion Rate Optimization (CRO)

- Conversion Rate Optimization (+ Recommended Tools)

- How to do A/B Testing and Improve Your Conversions Quickly

- 19 Best A/B Testing Tools in 2021

- **Google Analytics Academy – Several Free Online Courses**

Periodic Table of Google Analytics

https://www.datadrivenu.com/google-analytics-guide/

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Previous Videos from this B2B Digital Marketing Series

You can find recordings of all five (5) previous sessions and handouts below:

- **<u>New Ventures BC – Sales Accelerator Education Resources</u>**

Thank You!

Any questions or further ideas? ☺
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